

**SERIAL 04027 RFP DISPOSAL OF SURPLUS PROPERTY**

**DATE OF LAST REVISION: June 22, 2006**

**CONTRACT END DATE: September 30, 2007**

**CONTRACT PERIOD THROUGH SEPTEMBER 30, 2007**

TO: All Departments

FROM: Department of Materials Management

SUBJECT: Contract for **DISPOSAL OF SURPLUS PROPERTY**

Attached to this letter is published an effective purchasing contract for products and/or services to be supplied to Maricopa County activities as awarded by Maricopa County on **September 22, 2004**

All purchases of products and/or services listed on the attached pages of this letter are to be obtained from the vendor holding the contract. Individuals are responsible to the vendor for purchases made outside of contracts. The contract period is indicated above.

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Wes Baysinger, Director  
Materials Management

SD/mm  
Attach

Copy to: Clerk of the Board  
Wes Baysinger, Materials Management  
Walt Weglarz, Materials Management  
**Mirheta Muslic**, Materials Management



04027

## CONTRACT PURSUANT TO RFP

SERIAL 04027-RFP

This Contract is entered into this 22ND day of SEPTEMBER 2004 by and between Maricopa County ("County"), a political subdivision of the State of Arizona, and SIERRA AUCTION MANAGEMENT INC., an Arizona corporation ("Contractor") for the SALE OF SURPLUS PROPERTY (auctioneering services).

### 1.0 TERM

- 1.1 This Contract is for a term of three (3) years, beginning on the 22nd day of September, 2004 and ending the 30th day of September 2007.
- 1.2 The County may, at its option and with the agreement of the Contractor, extend the period of this Contract for additional one (1) year terms up to a maximum of three (3) additional terms. The County shall notify the Contractor in writing of its intent to extend the Contract period at least thirty (30) calendar days prior to the expiration of the original contract period, or any additional term thereafter.

### 2.0 PAYMENT

- 2.1 As consideration for performance of the duties described herein, Contractor shall deduct the percentage stated in Final Pricing, attached hereto and incorporated herein as Exhibit A, from the funds due the County.
- 2.2 Payment to the County will be made within ten (10) days after the sale (auction date). Payment shall be accompanied with a detailed list of all items sold, price sold for and buyers' number. A detailed list of all items not sold and to be held for the next sale shall be supplied with the payment.

### 3.0 DUTIES

- 3.1 The Contractor shall perform all duties stated in the Agreed Scope of Work, attached hereto and incorporated herein as Exhibit B.
- 3.2 Contractor shall perform services at the location(s) and time(s) stated in Exhibit B.

### 4.0 TERMS & CONDITIONS

#### 4.1 INDEMNIFICATION AND INSURANCE:

##### 4.1.1 INDEMNIFICATION

##### 4.1.2 Indemnification.

To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless the County, its agents, representatives, officers, directors, officials, and

employees from and against all claims, damages, losses and expenses, including but not limited to attorney fees and costs, relating to this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

4.1.3 **Abrogation of Arizona Revised Statutes Section 34-226:**

In the event that A.R.S. § 34-226 shall be repealed or held unconstitutional or otherwise invalid by a court of competent jurisdiction, then to the fullest extent permitted by law, **CONTRACTOR** shall defend, indemnify and hold harmless **COUNTY**, its agents, representatives, officers, directors, officials and employees from and against all claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or resulting from **CONTRACTOR'S** work or services. **CONTRACTOR'S** duty to defend, indemnify and hold harmless, **COUNTY**, its agents, representatives, officers, directors, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, injury to, impairment or destruction of property including loss of use resulting therefrom, caused in whole or in part by any act or omission of **CONTRACTOR**, anyone **CONTRACTOR** directly or indirectly employs or anyone for whose acts **CONTRACTOR** may be liable, regardless of whether it is caused in part by a party indemnified hereunder, including **COUNTY**.

The scope of this indemnification does not extend to the sole negligence of **COUNTY**.

4.1.4 **Insurance Requirements.**

**CONTRACTOR**, at **CONTRACTOR'S** own expense, shall purchase and maintain the herein stipulated minimum insurance from a company or companies duly licensed by the State of Arizona and possessing a current A.M. Best, Inc. rating of B++6. In lieu of State of Arizona licensing, the stipulated insurance may be purchased from a company or companies which are authorized to do business in the State of Arizona, provided that said insurance companies meet the approval of **COUNTY**. The form of any insurance policies and forms must be acceptable to **COUNTY**.

All insurance required herein shall be maintained in full force and effect until all work or service required to be performed under the terms of the Contract is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of **COUNTY**, constitute a material breach of this Contract.

**CONTRACTOR'S** insurance shall be primary insurance as respects **COUNTY**, and any insurance or self-insurance maintained by **COUNTY** shall not contribute to it.

Any failure to comply with the claim reporting provisions of the insurance policies or any breach of an insurance policy warranty shall not affect coverage afforded under the insurance policies to protect **COUNTY**.

The insurance policies may provide coverage, which contains deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall not be applicable with respect to the coverage provided to **COUNTY** under such policies. **CONTRACTOR** shall be solely responsible for the deductible and/or self-insured retention and **COUNTY**, at its option, may require **CONTRACTOR** to secure payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

**COUNTY** reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. **COUNTY** shall not be obligated, however, to review such policies and/or endorsements or to advise **CONTRACTOR** of any deficiencies in such policies and endorsements, and

such receipt shall not relieve **CONTRACTOR** from, or be deemed a waiver of **COUNTY'S** right to insist on strict fulfillment of **CONTRACTOR'S** obligations under this Contract.

The insurance policies required by this Contract, except Workers' Compensation, shall name **COUNTY**, its agents, representatives, officers, directors, officials and employees as Additional Insureds.

The policies required hereunder, except Workers' Compensation, shall contain a waiver of transfer of rights of recovery (subrogation) against **COUNTY**, its agents, representatives, officers, directors, officials and employees for any claims arising out of **CONTRACTOR'S** work or service.

4.1.4.1 Commercial General Liability. **CONTRACTOR** shall maintain Commercial General Liability Insurance (CGL) and, if necessary, Commercial Umbrella Insurance with a limit of not less than \$1,000,000 for each occurrence with a \$2,000,000 Products/Completed Operations Aggregate and a \$2,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, products and completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Contract which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 00 01 10 93 or any replacements thereof. There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

The policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims.

The CGL and the commercial umbrella coverage, if any, additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s Additional Insured, Form CG 20 10 10 01, and shall include coverage for **CONTRACTOR'S** operations and products.

4.1.4.2 Automobile Liability. **CONTRACTOR** shall maintain Automobile Liability Insurance and, if necessary, Commercial Umbrella Insurance with a combined single limit for bodily injury and property damage of no less than \$1,000,000, each occurrence, with respect to **CONTRACTOR'S** vehicles (including owned, hired, non-owned), assigned to or used in the performance of this Contract. If hazardous substances, materials, or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

4.1.4.3 Workers' Compensation. **CONTRACTOR** shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of **CONTRACTOR'S** employees engaged in the performance of the work or services, as well as Employer's Liability insurance of not less than \$100,000 for each accident, \$100,000 disease for each employee, and \$500,000 disease policy limit.

**CONTRACTOR** waives all rights against **COUNTY** and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the Workers' Compensation and Employer's Liability or commercial umbrella liability insurance obtained by **CONTRACTOR** pursuant to this agreement.

In case any work is subcontracted, **CONTRACTOR** will require the Subcontractor to provide Workers' Compensation and Employer's Liability insurance to at least the same extent as required of **CONTRACTOR**.

4.1.5 Certificates of Insurance.

4.1.5.1 Prior to commencing work or services under this Contract, Contractor shall have insurance in effect as required by the Contract in the form provided by the County, issued by Contractor's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Contract are in full force and effect. Such certificates shall be made available to the County upon 48 hours notice. **BY SIGNING THE AGREEMENT PAGE THE CONTRACTOR AGREES TO THIS REQUIREMENT AND FAILURE TO MEET THIS REQUIREMENT WILL RESULT IN CANCELLATION OF CONTRACT.**

In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of **CONTRACTOR'S** work or services and as evidenced by annual Certificates of Insurance.

If a policy does expire during the life of the Contract, a renewal certificate must be sent to **COUNTY** fifteen (15) days prior to the expiration date.

4.1.5.2 Cancellation and Expiration Notice.

Insurance required herein shall not be permitted to expire, be canceled, or materially changed without thirty (30) days prior written notice to the County.

4.2 REQUIREMENT OF CONTRACT BOND:

Concurrently with the submittal of the Contract, the Contractor shall furnish the Contracting Agency the following bonds, which shall become binding upon the award of the contract to the Contractor.

- (A) A Performance Bond of \$100,000.00 conditioned upon the faithful performance of the Contract in accordance with plans, specifications and conditions thereof. Such bond shall be solely for the protection of the Contracting Agency awarding the Contract.
- (B) A Payment Bond of \$100,000.00 solely for the protection of claimants supplying labor or materials to the Contractor or his Subcontractors in the prosecution of the work provided for in such Contract.

Each such bond shall include a provision allowing the prevailing party in a suit on such bond to recover as a part of his judgment such reasonable attorney's fees as may be fixed by a judge of the court.

Each bond shall be executed by a surety company or companies holding a certificate of authority to transact surety business in the State of Arizona issued by the Director of the Department of Insurance. The bonds shall not be executed by an individual surety or sureties. The bonds shall be made payable and acceptable to the Contracting Agency. The bonds shall be written or countersigned by an authorized representative of the surety who is either a resident of the State of Arizona or whose principal office is maintained in this state, as by law required, and the bonds shall have attached thereto a certified copy of the Power of Attorney of the signing official. In addition, said company or companies shall be rated "Best-A" or better as required by the Contracting Agency, as currently listed in the most recent Best Key Rating Guide, published by the A.M. Best Company.

4.3 NOTICES:

All notices given pursuant to the terms of this Contract shall be addressed to:

For County:

Maricopa County  
Department of Materials Management  
Attn: Director of Purchasing  
320 West Lincoln Street  
Phoenix, Arizona

For Contractor:  
Sierra Auction Management Inc.  
Attn: Donald Clark  
3570 NW Grand Ave.  
Phoenix, AZ. 85019

4.4 REQUIREMENTS CONTRACT:

Contractor signifies its understanding and agreement by signing this document, that this Contract is a requirements contract. This Contract does not guarantee any services will be required.

Contractor shall take no action under this Contract unless specifically requested by County, which shall submit written direction to Contractor requesting that services be performed.

4.5 TERMINATION:

County may unconditionally terminate this Contract for convenience by providing thirty (30) calendar days advance notice to the Contractor.

County may terminate this Contract if Contractor fails to pay any charge when due or fails to perform or observe any other material term or condition of the Contract, and such failure continues for more than ten (10) days after receipt of written notice of such failure from County, or if Contractor becomes insolvent or generally fails to pay its debts as they mature.

4.6 STATUTORY RIGHT OF CANCELLATION FOR CONFLICT OF INTEREST:

Notice is given that pursuant to A.R.S. § 38-511 the County may cancel this Contract without penalty or further obligation within three years after execution of the contract, if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County is at any time while the Contract or any extension of the Contract is in effect, an employee or agent of any other party to the Contract in any capacity or consultant to any other party of the Contract with respect to the subject matter of the Contract. Additionally, pursuant to A.R.S § 38-511 the County may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the County from any other party to the contract arising as the result of the Contract.

4.7 OFFSET FOR DAMAGES;

In addition to all other remedies at law or equity, the County may offset from any money due to the Contractor any amounts Contractor owes to the County for damages resulting from breach or deficiencies in performance under this contract.

4.8 ADDITIONS/DELETIONS OF SERVICE:

The County reserves the right to add and/or delete products and/or services provided under this Contract. If a requirement is deleted, payment to the Contractor will be reduced proportionately to the amount of service reduced in accordance with the proposal price. If additional services and/or

products are required from this Contract, prices for such additions will be negotiated between the Contractor and the County.

4.9 SUBCONTRACTING:

The Contractor may not assign this Contract or subcontract to another party for performance of the terms and conditions hereof without the written consent of the County, which shall not be unreasonably withheld. All correspondence authorizing subcontracting must reference the Proposal Serial Number and identify the job project.

4.10 AMENDMENTS:

All amendments to this Contract must be in writing and signed by both parties.

4.11 RETENTION OF RECORDS:

The Contractor agrees to retain all financial books, records, and other documents relevant to this Contract for five (5) years after final payment or until after the resolution of any audit questions which could be more than five (5) years, whichever is longer. The County, Federal or State auditors and any other persons duly authorized by the Department shall have full access to, and the right to examine, copy and make use of, any and all said materials.

If the Contractor's books, records and other documents relevant to this Contract are not sufficient to support and document that requested services were provided, the Contractor shall reimburse Maricopa County for the services not so adequately supported and documented.

4.12 AUDIT DISALLOWANCES:

If at any time County determines that a cost for which payment has been made is a disallowed cost, such as overpayment, County shall notify the Contractor in writing of the disallowance. County shall also state the means of correction, which may be but shall not be limited to adjustment of any future claim submitted by the Contractor by the amount of the disallowance, or to require repayment of the disallowed amount by the Contractor.

4.13 VALIDITY:

The invalidity, in whole or in part, of any provision of the Contract shall not void or affect the validity of any other provision of this Contract.

4.14 RIGHTS IN DATA:

The County shall have the use of data and reports resulting from this Contract without additional cost or other restriction except as provided by law. Each party shall supply to the other party, upon request, any available information that is relevant to this Contract and to the performance hereunder.

4.15 INTEGRATION

This Contract represents the entire and integrated agreement between the parties and supersedes all prior negotiations, proposals, communications, understandings, representations, or agreements, whether oral or written, express or implied.

IN WITNESS WHEREOF, this Contract is executed on the date set forth above.

**CONTRACTOR**

\_\_\_\_\_  
AUTHORIZED SIGNATURE

\_\_\_\_\_  
PRINTED NAME AND TITLE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
DATE

**MARICOPA COUNTY**

BY: \_\_\_\_\_  
CHAIRMAN, BOARD OF SUPERVISORS

\_\_\_\_\_  
DATE

ATTESTED:

\_\_\_\_\_  
CLERK OF THE BOARD

\_\_\_\_\_  
DATE

APPROVED AS TO FORM:

\_\_\_\_\_  
MARICOPA COUNTY ATTORNEY

\_\_\_\_\_  
DATE

**EXHIBIT A**

SERIAL 04027-RFP

PRICING SHEET S07-39-01/NIGP 998-00

BIDDER NAME: SIERRA AUCTION MANAGEMENT INC.  
 F.I.D./VENDOR #: W000004122 X  
 BIDDER ADDRESS: 3570 MW GRAND AVE., PHOENIX AZ. 85019  
 P.O. ADDRESS: SAME  
 BIDDER PHONE #: 602-242-7121  
 BIDDER FAX #: 602-246-1903  
 COMPANY WEB SITE: [WWW.SIERRAAUCTION.COM](http://WWW.SIERRAAUCTION.COM)  
 COMPANY CONTACT (REP): SHARLEEN MAIDEN  
 E-MAIL ADDRESS (REP): [SHARLEEN@SIERRAAUCTION.COM](mailto:SHARLEEN@SIERRAAUCTION.COM)

WILLING TO ACCEPT FUTURE SOLICITATIONS VIA EMAIL: X YES

OTHER GOV'T. AGENCIES MAY USE THIS CONTRACT: X YES

**PLEASE INDICATE HOW YOU HEARD ABOUT THIS SOLICITATION:**

PRE-SOLICITATION NOTICE

**1.0 PRICING:**

<u>1.1 Gross Sales Volume</u>	<u>Percentage Commission Based on Fee-of Gross Sales Volume</u>	
\$0-100,000	4.40%	EBAY SALES 15%
\$100,001-300,000	4.40%	
\$300,001-500,000	4.40%	
\$500,001 or greater	4.40%	

**1.2 TRANSPORTATION FEE**

- 1.2.1 Cost of labor                                   \$ 25.00    PER HOUR, PER PERSON
- 1.2.2 Cost of pickup truck                       \$ 15.00    PER HOUR
- 1.2.3 Cost of flat bed truck                     \$ 15.00    PER HOUR
- 1.2.4 Cost of box truck                         \$ 40.00    PER HOUR
- 1.2.5 Size of box truck                         24 FEET

\* Cost of trucks is actual hours used or a maximum charge of 8 hours day

**1.2.6 DISPOSAL COSTS**

**ITEMS PICKED UP THAT HAVE NO VALUE AT AUCTION WILL BE DISPOSED OF AT COST. ONLY ACTUAL DUMP FEES WILL BE CHARGED.**

**1.2.7 ADDITIONAL EQUIPMENT**

- 45' TRACTOR TRAILER OR FLATBED    \$ 45.00    PER HOUR
  - FORKLIFT DELIVERY                     \$ 100.00
  - FORKLIFT USE/OPERATOR               \$ 45.00    PER HOUR
- PALLET JACKS, DOLLIES, BLANKETS, TIE DOWNS, ETC. ARE INCLUDED IN THE COST OF THE TRUCK.**

**ANY ADDITIONAL EQUIPMENT NEEDED FOR DE-INSTALLATION SUCH AS CRANES, SAFE MOVERS, SCISSOR LIFTS, ETC. WILL BE BILLED AT COST.**

**1.3 Decal Removal**

**1.3.1 Doors Only \$25.00 Per Vehicle**

**1.3.2 Full Vehicle (e.g. Patrol Car) \$90.00 Per Vehicle**

**1.4 Batteries \$39.95 Per Battery**

**1.5 Minor Tire Repair \$15.00 - \$20.00 Per Tire**

**1.6 Keys \$50.00 - \$100.00 (Actual cost, no mark-up)**

**1.7 Vehicle Towing No Charge**

**EXHIBIT B****1.0 INTENT:**

The intent of this document is to form a percentage of sales contract with a Contractor to manage all aspects of the County's surplus property operations in accordance with A.R.S. §11-251.9 - §11-251.55, the County's Procurement Code (Article 8) and the Maricopa County Capital Asset Manual.

The responsibility of having assets removed from the specific County departmental Capital Asset Listing will, in all cases, reside within the respective department and will be coordinated with the Department Capital Asset Liaison (i.e. Property Manager).

The primary objective of the County is to maximize the return on sale of surplus property while minimizing operational costs.

All items are to be sold "as-is" with no warranty (ies), express, implied or otherwise.

**2.0 SCOPE OF WORK:****2.1 CONTRACTOR DUTIES:**

- 2.1.1 Contractor shall provide all labor, cash handling, required advertising, warehousing, inventory services, record keeping, any day-to-day sales, & auctioneering services in order to ensure the successful operation of the County's surplus property operations. All surplus property disposal services performed by the successful Contractor must meet the provisions of the County's Procurement Code (<http://www.maricopa.gov/materials/p-code/policies.asp>) and the Maricopa County Capital Asset Manual (incorporated herein by reference). All accounting and property inventorying activities shall conform to County requirements.
- 2.1.2 The contracted vendor shall provide all necessary transportation of County surplus property from the County agency disposing of such to the site where the surplus property is being auctioned/sold. All pickup/transportation services will be at the Contractors cost, based upon the prices quoted on Exhibit A without markup.
- 2.1.3 Any additional transportation services offered by the Contractor for the delivery of property to the purchaser's site/business after the sale shall be at the purchaser's expense.
- 2.1.4 The Contractor shall install a Bar Code system that can record and store all information on items received for sale. The Contractor will furnish the bar code labels to the County departments so all items will be able to be labeled by the County prior to pickup. **This system is to be installed and operational by February 1, 2005.**
- 2.1.5 Contractor shall ensure all County assets to be sold have been inspected to verify any extraneous or extra County property that may be enclosed, attached, or otherwise not generally considered a part of the asset, has been removed and returned to the County promptly. (For example: All computer hard drives shall be stripped of all software and data, AND drawers in desks/furniture shall be empty (ied), etc.)
- 2.1.6 The Contractor shall maintain and keep accurate asset records for each item of County property auctioned or sold. This is to include model number(s), serial number(s), asset/bar code number(s), date each item was auctioned/sold, amount each item was sold for and who the buyer is (buyers number).
- 2.1.7 Contractor shall perform services at 3570 NW Grand Ave. Phoenix AZ. 85019. Any change to the approved location for services shall be approved by Maricopa County in

writing prior to any change. Auctions shall be held at least one (1) time per month or as approved by Maricopa County in writing.

2.2 PAYMENT:

Payment will be made within ten (10) days after the sale (auction). Payment shall be accompanied with a detailed list of all items sold, price sold for and buyer. A detailed list of all items not sold and be held for the next sale shall be supplied with the payment.

2.3 BAD DEBTS:

The Contractor shall be responsible for all bad debts (credit cards, checks etc.). The County shall not be charged back for any of these debts.

2.4 FREQUENCY OF SURPLUS PROPERTY SALES/AUCTIONS:

The Contractor will be required to hold surplus property disposal auctions each month.

2.5 SALES REPORT:

The Contractor shall furnish the County a **monthly** sales report delineating the acquisition activity governed by the Contract. The format of the report shall be approved by the County and shall disclose the quantity and dollar value of each contract item by individual unit.

**SIERRA AUCTION MANAGEMENT INC, 3570 GRAND AVENUE, PHOENIX, AZ 85019**

PRICING SHEET S07-39-01/B0700113/NIGP 998-00

Terms:	N/A
Vendor Number:	<b>W000004122 X</b>
Telephone Number:	602/242-7121
Fax Number:	602/246-1903
Contact Person:	<del>Donald Clark</del> <b>Sharleen Maiden</b>
E-Mail	<a href="mailto:sharleen@sierraauction.com">sharleen@sierraauction.com</a>
Company Web Site:	<a href="http://www.sierraauction.com">www.sierraauction.com</a>
Certificates of Insurance	Required
Performance Bond Required	\$100,000.00
Contract Period:	To cover the period ending <b>September 30, 2007.</b>